Five years on, Sylhet Hi-Tech Park struggles to take off

Creates just 400 jobs, attracts only 2 investors

DWOHA CHOWDHURY



PHOTO: SHEIKH NASIR

The Hi-Tech Park in Sylhet remains largely underutilised nearly five years after its inauguration, with unfinished facilities and limited business activity reflecting the challenges facing the project.

Nearly five years after its inauguration, Hi-Tech Park, Sylhet, has created just 400 jobs against a target of 20,000 and attracted around Tk 300 crore in investment against a target of Tk 1,500 crore.

Only two of the 14 companies allotted land or space at the 171.07-acre park are operational, with gas shortages, unreliable electricity and unfulfilled commitments undermining business expansion.

Approved by the Executive Committee of the National Economic Council (Ecnec) in March 2016 at an estimated cost of Tk 336 crore, the park is located in Companiganj upazila, 22 kilometres north of Sylhet city.

It was inaugurated as Bangabandhu Sheikh Mujib Hi-Tech Park on December 12, 2021, and later renamed Hi-Tech Park, Sylhet.

The project was expected to industrialise Sylhet's economy, create jobs for young people and capitalise on the region's proximity to India's seven northeastern states. The authorities promised gas connections, uninterrupted electricity, tax holidays, duty-free imports of machinery and raw materials, and the freedom to repatriate profits and capital.

Several commitments, however, remain unfulfilled.

According to the Bangladesh Hi-Tech Park Authority (BHTPA), around 44 acres of land have been allotted, leaving more than 76 acres available.

Of the 21,576 square feet of allocable space in the administrative building, 19,062 square feet has been allotted, but four of the five companies allocated space there are yet to become operational.

Among companies allocated land, Rangs Electronics Limited began operations on its 32-acre plot in 2025. One company is still constructing its facility, three halted construction after starting work, and four have yet to begin construction.

GAS SHORTAGE, POWER DISRUPTIONS

Rangs, the park's flagship tenant, has struggled with infrastructure gaps for years.

The company applied for an industrial gas connection in 2022 but was denied one by the Ministry of Energy and Mineral Resources, according to Rangs. The BHTPA applied on its behalf in November 2025, but the request was rejected. The authority reapplied in April this year and is awaiting a decision.

Electricity is supplied through a 33/11 kV line operated by the Rural Electrification Board. Heavy rainfall in Sylhet frequently triggers prolonged load-shedding, according to the park authority.

Md Rafiqul Islam, senior general manager of Rangs Electronics, said the company moved to the park despite having factories on its own land, hoping to benefit from the promised facilities.

"However, commitments such as one-stop services for government documentation were not fulfilled from the outset, and we had to obtain all the required licences by approaching the relevant offices individually, just as we did for our other projects," he said.

"The promise was that there would be no rent during the three-year construction period and that the rent would be reasonable until we reached the break-even point.

However, we have been paying rent since day one. Besides, there is no backup electricity, and during maintenance work, we are forced to stop production for days," he said.

"The biggest obstacle is the gas connection, which the ministry has continued to deny since we began construction. We had plans to launch our television, air-conditioner and other production lines, but we are now operating at only 30 percent of capacity, producing refrigerators alone. All these setbacks are causing us losses of Tk 60 crore a year, along with higher production costs," he added.

UpSkill Bangladesh, the park's other operational tenant, also faces connectivity and security problems.

Muminur Rahman Tamal, lead HR at the company, said the New York-based firm had expanded into Bangladesh to offer advanced IT courses.

"However, because of communication problems, we are struggling to attract students and retain employees. There are also serious security concerns in the evening," he said.

In November 2024, a The Daily Star investigation found that 15 ICT-related projects nationwide, worth Tk 8,500 crore combined, had been undermined by faulty planning, corruption and poor execution under the previous government's Digital Bangladesh programme.

REVIVAL PLAN AWAITS ACTION

After the Bangladesh Nationalist Party came to power in February 2026, the current administration formed a committee to develop recommendations for reviving the park. Local lawmaker Ariful Haque Choudhury, also the minister for expatriates' welfare and overseas employment, inspected the park in June and expressed concern.

He said the government would decide on a way forward after consultations between the ministry and the prime minister. However, no public outcome had emerged by the time of writing.

MD Fazlur Rahman, managing director of the Bangladesh Hi-Tech Park Authority, said the park's distance from the city and lack of gas connectivity were major obstacles to attracting investors. These problems were preventing factories from becoming fully operational, he said, adding that several other issues also needed to be resolved.

The authority is working to attract new investors, he added.

"Our secretary recently visited the park with local business chamber leaders, and we will work to attract new investors. We have a high-level meeting scheduled for November 4, where we will discuss all the issues concerning the park. We are working to make the hi-tech park fully operational by overcoming all the barriers," he said.

How to boost investment and curb inflation

SAYEMA HAQUE BIDISHA

Recent forecasts by development partners paint a bleak picture of Bangladesh's economy. Sluggish GDP growth, weak private investment, rising poverty, banking sector weaknesses and high inflation are major concerns. The two immediate challenges are persistent inflation and slowing investment. Addressing both requires structural reforms.

Private sector credit growth, a key investment indicator, stood at only 4.8 percent in August, despite ample banking sector liquidity. This reflects weak investment prospects, with the investment-to-GDP ratio stuck at 22 percent.

Five areas need attention to accelerate investment. First, reliable energy supplies are essential. Although the immediate crisis linked to the Middle East has been managed to some extent, short, medium and long-term plans are needed. Alongside securing liquefied natural gas supplies, Bangladesh must increase extraction from existing reserves, particularly offshore. Over the longer term, large-scale investment in solar and other alternative energy sources should be assessed.

Second, interest rates pose a complex policy challenge. Cutting rates risks fuelling inflation, while high rates hinder business activity. Given current conditions, lowering rates in the short term could be risky. In May, the central bank announced a Tk 62,000 crore stimulus package to restart closed industrial units and revive investment. However, the response remains limited. Factories closed for long periods may find it difficult to meet lending conditions. Eligibility requirements could be reconsidered, while keeping disbursement guidelines transparent.

Third, administrative and bureaucratic hurdles cause delays. Procedural bottlenecks at land ports also impede trade. Although the national budget proposed measures to improve efficiency, implementation remains slow. These must be implemented without delay.



Bangladesh must prioritise structural reforms, stronger financial governance and better market management

Fourth, investment requires confidence and certainty. Political instability, policy discontinuity, corruption and local strongmen discourage new investment. Businesses need an environment in which they can operate freely.

Fifth, financial sector governance must improve. Banking reforms require a stronger legal framework, effective resolution of non-performing loans, transparent lending oversight and solutions for weaker banks drawing on stronger institutions' experience. Export diversification is also essential. Time-bound plans should address challenges facing key industries and services, including nursing and care services.

While reviving private investment is a priority, controlling inflation must remain central to economic policy. Monetary and fiscal measures alone are insufficient without better market management. Supply chain weaknesses must be addressed, with firm action against artificial shortages and practices that undermine competition. Authorities need organised monitoring teams, clear guidelines, coordination with local administrations and law enforcement, action against transport sector corruption, measures to reduce delays, tighter oversight of middlemen and better storage facilities.

The commerce, agriculture and food ministries must coordinate closely. A unified, independent policy committee focused on inflation control could help. Although monetary policy has had limited success in controlling inflation, keeping the policy rate unchanged at 9.5 percent appears reasonable in the short term. Lower import duties on essential food items and avoiding short-term fuel price adjustments, particularly for diesel, could also help.

The Trading Corporation of Bangladesh (TCB) should expand operations, widen its product range, sell food at subsidised prices and use registration systems to improve transparency. Weak revenue mobilisation constrains development spending and limits subsidies and incentives for critical sectors. Economic policy must prioritise domestic revenue by expanding the tax net, strengthening direct taxation and accelerating digitalisation.

Bangladesh faces a difficult task: curbing inflation and reviving investment amid geopolitical uncertainty. However, healthy foreign exchange reserves, steady remittance inflows and robust agricultural output offer support. Time-bound reforms in revenue mobilisation, public expenditure management and the financial sector, prioritising structural solutions over short-term fixes, can put the economy on a stronger footing.

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Brent oil prices near 5-month high

REUTERS, *London*

Oil prices rose by more than $1 on Wednesday as attacks on Gulf shipping and no signs of diplomatic progress to end the Iran war fuelled supply disruption fears, with the Brent benchmark hovering near 5-month highs, while falling US crude and product inventories also lent support to the market.

Brent crude futures rose $1.32, or 1.2 percent, to $110.11 per barrel by 0747 GMT. US West Texas Intermediate (WTI) crude gained $1.18, or 1.2 percent, to $99.00 per barrel.

In the previous session, Brent hit its highest in five months and WTI in six months but prices fell after Iran's president discussed mediation efforts in a meeting with Pakistan's army chief in Tehran.

"Even tentative signs of additional supply or diplomatic progress were enough to tempt traders with a bullish bias to bank some profits," PVM analysts said.

"Whether this was justified is debatable, as neither of the two geopolitical conflicts underpinning the market's bullish sentiment has shown any signs of de-escalation," they added.

Iran told Pakistan's army chief there would be no talks with Washington until its demands were met, adding that a Qatari delegation had arrived in Tehran.

Shiptracker Kpler said at least 18 vessel attacks were recorded over the past two weeks, while LSEG analysts warned Iran was targeting tankers well beyond the Strait of Hormuz, reaching into the Gulf of Oman and jeopardising Gulf crude loadings and the ship-to-ship transfers supporting regional loadings.

Ballooning global imbalances risk amplifying messy AI unwind

REUTERS, *Orlando*

Global imbalances are expanding, with the US trade deficit on one side and outsized Asian surpluses on the other posing growing risks to economies and markets worldwide. AI lies at the heart of it.

The US trade deficit widened in August to $105.6 billion, a 17-month high. This was thanks to a 4.3 percent surge in imports to an all-time high of $420.8 billion as companies sucked in the computer chips, equipment and materials needed for the record-busting AI buildout. A Federal Reserve Bank of Minneapolis paper in August estimated that around 70 percent of US firms' AI-related capital spending is on imported goods.

Many of these shipments are coming from a handful of countries in Asia, such as South Korea, Taiwan and China, whose trade surpluses have exploded to historic heights in recent months. China's exports this year have leapt by 22 percent. Economists at Barclays estimate that semiconductors and automatic data-processing equipment and parts account for almost two-thirds of that. The contribution of AI-related goods to South Korea and Taiwan's export boom is even greater. South Korea's exports jumped 83.5 percent in September from a year earlier as semiconductor shipments more than tripled, while Taiwan's surplus in September hit $23.6 billion, a monthly record.

Given these unrelenting flows, China is well on course to record a second consecutive annual trade surplus of over $1 trillion this year, while South Korea and Taiwan could post a combined $1 trillion current account surplus next year, according to Brad Setser at the Council on Foreign Relations. The combined Asian surpluses are, for the most part, being recycled into US assets, mostly stocks, as overseas investors chase the pots of gold at the end of the American AI rainbow.

These widening external balances are ringing alarm bells. Officials from the International Monetary Fund and other international institutions warn that imbalances can distort asset prices and inflate financial bubbles, a dynamic that many analysts argue is already playing out. The consequences of a rapid, disorderly unwind could be extreme, potentially including a sharp depreciation of the US dollar, huge volatility on Wall Street, and a sudden spike in global interest rates. Last week's ructions in global equities may have been a sneak peek.

FLOWING TO THE STREET

US trade deficits and sky-high Asian exports are nothing new, but what's changed in recent years is where the surpluses are flowing. In years gone by, Asia's surpluses were typically reinvested into US Treasuries as Asian central banks sought to build their foreign currency reserves. As a result, US bond yields were capped, US consumer demand was propped up, and economies on both sides of the divide kept growing.

But those surpluses are now flowing into Wall Street. Treasury International Capital (TIC) data on Friday showed that foreign investors' net purchases of US securities in August jumped to $279.2 billion, a record amount for a single month. The vast majority of that came from the private sector, with more than half of it plowed into equities, with the overseas private sector buying $131.9 billion of stocks, the second-biggest inflow on record behind June's $144.7 billion. Foreign private-sector net inflows into US stocks in the 12 months through August stood at $844 billion, up more than 30 percent from a year earlier. Investment is also flooding into the US corporate debt market, where issuance from hyperscalers and others involved in the AI buildout has rocketed. Foreign purchases of US corporate bonds in the 12 months through August totaled $464 billion, also up more than 30 percent on the year. Everyone, it seems, wants in on the AI mania.

Of course, this concentration heightens the risk of a disorderly exit when these markets turn. We already got glimpses of that last week. The Philadelphia chip index fell on Friday for the eighth straight day, marking its longest losing streak since October 2008. The index shed 11.5 percent last week. Meanwhile, many of the bonds issued to fund the construction of data centers have recently dipped into distressed territory below 80 cents on the dollar.

In a severe scenario, we could see a market correction that cascades through the highly leveraged and circular AI ecosystem. Given the sizable cross-border holdings of AI assets, the losses could spread around the world, IMF chief Kristalina Georgieva wrote last week. If she's right, the AI unwind could get ugly.



Visitors look at Wiwynn's AI data centre reference architecture display during Computex in Taipei. PHOTO: AFP/FILE

Merz says EU ready to defend industry against 'unfair' Chinese trade

AFP, *Berlin*

German Chancellor Friedrich Merz vowed Wednesday that the European Union would defend itself against what he called "unfair" Chinese trade practices that could threaten German industry.

The leader of Europe's biggest economy, who is set to travel next week to Singapore, Japan and South Korea, criticised Chinese industrial overcapacities, subsidies for products and export advantages that he said came from an artificially cheap currency.

"We want to have fair trade with China in our joint and mutual interest. That is our goal," Merz said at a Berlin conference.

"But at the same time, we have to be ready to defend ourselves, to defend our industry."

Germany -- home to industrial giants in the auto, chemicals and electronics sectors -- long prided itself on a massive trade surplus with the rest of the world, including booming sales to China.

That has turned in recent years, however, as Chinese firms have become increasingly competitive and German exporters have been hit by rising production costs and US tariffs.

In recent months, EU leaders including Merz and French President Emmanuel Macron have seriously weighed new policy moves to protect EU-based industry from Chinese competition.

Merz said recent talks by EU officials with China had made some progress, including an agreement to reduce the number of cars exported to the European market.